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The year of tariffs, RTCs and AI

The ongoing impact of trade wars and tariffs and the embrace of AI in Asia Pacific.

The Corporate View

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Treasury Lead

Nestlé India

Women in Treasury

Isha Goel

Head – Treasury Settlements APAC

Mercedes-Benz Research & Development India

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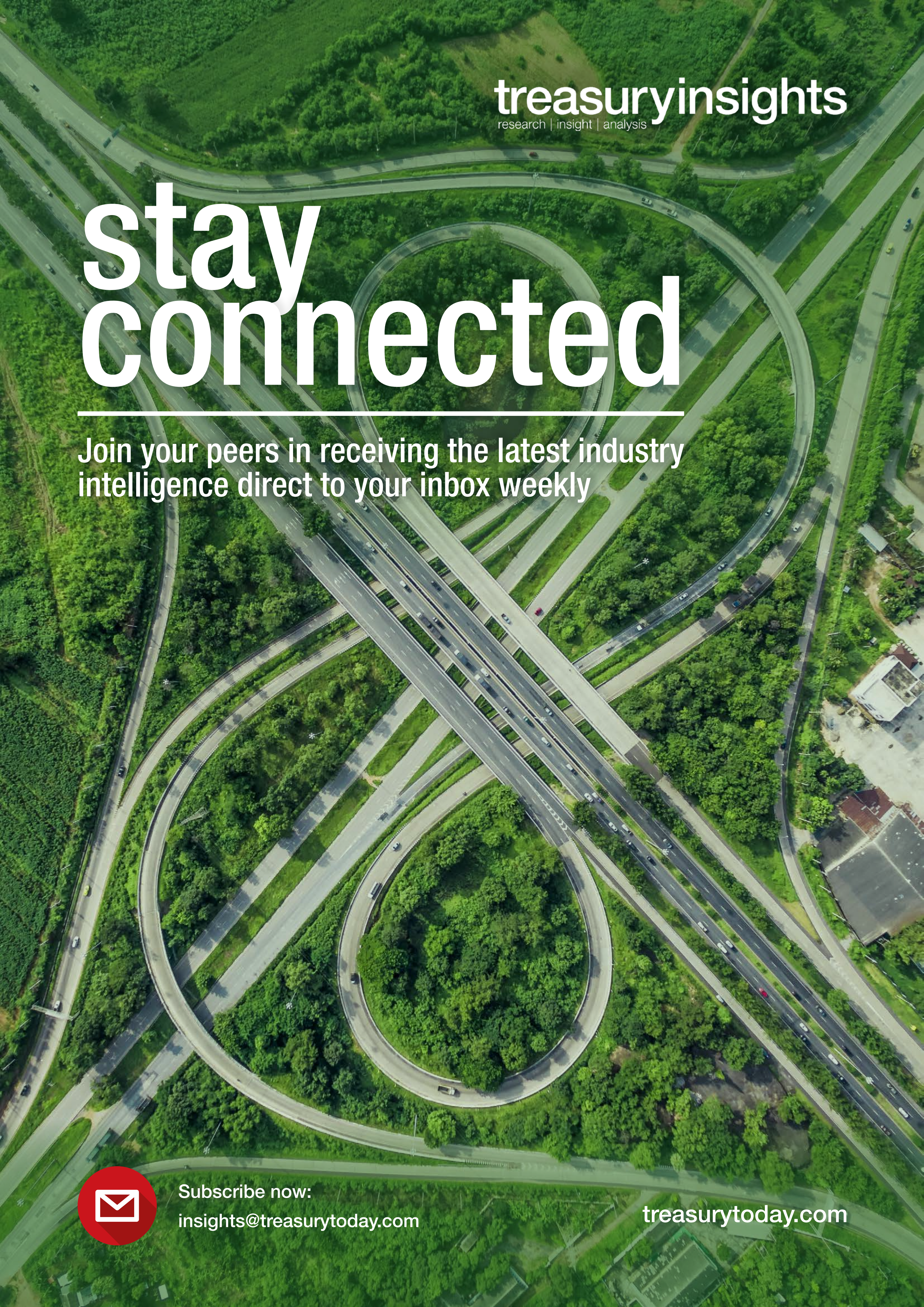
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Acclimatising to rising trade tensions

As the Year of the Wood Snake beds in, trade tariffs and the looming spectre of trade wars are creating a challenging operating environment. Actions by the Trump administration could disrupt global supply chains and stifle economic growth in many countries, encouraging Asian corporates to relocate production closer to home.

Our main feature examines how supply chain clusters are increasing intra-regional trade, which present opportunities as well as challenges. Many treasurers are taking advantage of advanced technologies like APIs and blockchain to enhance cross-border transparency and efficiency.

In the Taiwan country profile, we look at treasurers' response to recent global headwinds. "We have focus on strengthening our risk management framework to mitigate currency and interest rate risks, which can be particularly challenging in an environment of fluctuating global markets," says Jenny Ho, Senior Vice-President, Finance Department at FENC, a textile conglomerate.

Our Women in Treasury profile features Isha Goel, Head – Treasury Settlements APAC, Mercedes-Benz Research & Development India, who is a strong proponent of continuous learning. "Treasury is an evolving field, and things can change very quickly," she advises. "So keep yourself updated, but at the same time, define your career path and your goals."

In the Corporate View, Nestlé India's Rahul Jagga talks about his current role as Treasury Lead, which includes responsibility for managing treasury strategy for India, Sri Lanka and Bangladesh. He explains how the company is driving sustainability by supporting its dairy farmers.

Recruitment is always high on the agenda, as attracting the best talent is often a struggle. However, according to specialist recruiters, currently there is a shortage of roles, not a shortage of talent. As such, senior treasury professionals are finding it harder to take the next step up the career ladder. A growing trend is treasury professionals moving to private equity spin-offs and smaller companies that are setting up treasury functions from scratch.

David Rowe, Group Treasurer at Worley, the Australian resources and energy group, outlines the key factors he considers when assessing applicants, such as experience in managing key stakeholders and how they will integrate into the team to build and improve performance.

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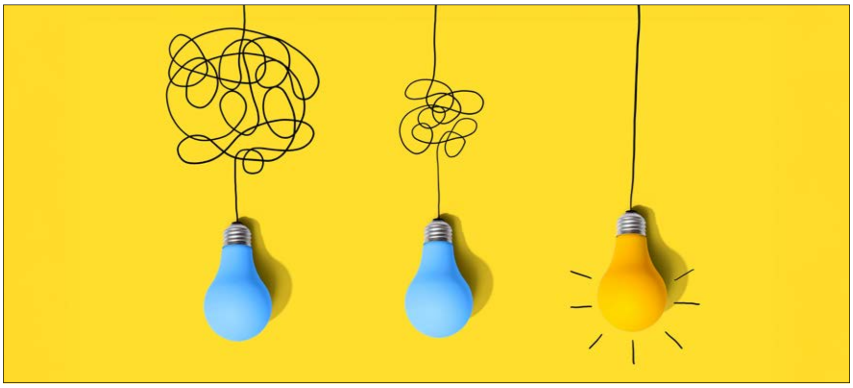


The year of tariffs, RTCs and AI

A hybrid model of centralised and regional treasury hubs sits alongside the continuing developments of trade wars and tariffs and the embrace of AI for automation in Asia Pacific.

The current global environment is still dealing with post-Covid inflation, encroaching isolationism from several countries, most notably the US, as well as civil unrest and instability. That doesn't even include the ongoing work of digital transformation in the sector and the fast-growing influence of artificial intelligence and automation tools. As a response, the treasury and finance functions within corporations are growing in strategic influence and playing a significant part in shaping the long-term direction of businesses worldwide.

While these trends are universal, the impact is acute in Asia Pacific. The region is a unique mix of developed and emerging markets, fragmented regulatory environment, as well as playing a central role in the current trade war drama involving tariffs imposed by the US government. Asia Pacific is serving as a microcosm for treasury and finance strategies globally.

According to a survey released last year by **DBS Bank in Singapore and FT Longitude**, the old world order of hyper-globalisation is ending, while a new era of globalisation is now emerging. That era will be heavily influenced by Asian markets, with three-quarters of those in the survey citing expansion in Asia as a strategic priority for their business, specifically the Association of Southeast Asian Nations (ASEAN), India and Mainland China.

The research, **Pivotal: How treasury and finance enable the new era of globalisation**, was based on a survey of 570 senior leaders in nine sectors and 15 markets, as well as in-depth discussions with 12 experts in the field.

The DBS survey expects the new globalisation era to be powered by digital innovation, data-enabled business models, and manufacturing and shipping. While this era "is centred on Asia" it is "reliant on a multi-polar economic system, and it is more sensitive to sustainability and net zero than earlier forms of globalisation", according to the report.

According to Ankur Kanwar, Global Head of structured Solutions Development, Head of Transaction Banking, and Head of Cash Management in Singapore and ASEAN at Standard Chartered Bank, "Asian markets are much more complex and fragmented than in the Americas or Europe, each has its own regulatory requirements on trade, foreign exchange (FX), and related party transactions."

Asia Pacific is also broken up between "developed" economies such as Japan, Singapore and Australia, and emerging markets such as Malaysia and Vietnam, according to several benchmarks, including analysis from the International Monetary Fund. While global powerhouses such as China and India often run the gamut between "developed" and "emerging" depending on which economic factors are being measured.

Central, regional and hybrid

This fragmentation can be complex to navigate. However, around 60% of the needs of each nation are similar, says Kanwar. Those common needs include running a business with a minimum amount of "operating cash" (typically below 5% of revenue), centralising the management of liquidity risk, FX risk, and payment at regional treasury centres (RTC) to achieve best execution, risk control and efficiency.

"The differences lie in the challenges that these treasuries face – corporate treasuries in emerging markets have to navigate idle cash issues, higher currency fluctuation and geo-political risks," says Kanwar.

While centralised global hubs are a broad trend for treasury departments at multinationals, in Asia a hybrid model is emerging as more companies are setting up RTCs, "designed to serve a different cluster of markets", says Kanwar.

For example, "Payments-on-behalf-of (POBO) can be done in Singapore, Hong Kong, Japan and Australia but not in many other markets where Payments-in-the-name-of (PINO) is implemented instead," he adds.

"These RTCs are data-driven, real-time connected with global treasury enterprise resource planning and treasury management systems, forming a new matrix of liquidity, payment and FX structure unseen in the last three decades," he says.

Three factors have shaped the RTC landscape post-Covid, according to Kanwar. The first is re-globalisation, with foreign direct investment companies shifting to India and ASEAN. "The new supply chain clusters mean more intra-regional trade and more complex cross-border payment flows," he says.

Second is the availability of new and more robust technology that accelerated treasuries' transformation. For example, he adds that a "remote RTC" can be structured as a bank-sponsored account to support cash pooling, payments and FX.

Third are the new international tax rules (Base Erosion and Profit Shifting or BEPS 1.0 and BEPS 2.0) that RTCs are helping companies navigate due to their proximity to the markets.

However, Inga Kudzmaite, Treasury and Tax Director, Asia at the Carlsberg Group, says the dichotomy between developed and emerging markets can be more pronounced.

"The needs are very different," she says. "Quite commonly, a large degree of centralisation – either domestic or cross-border can be achieved in developed markets, while solutions in developing markets are largely localised to their unique set of issues."

Sriram Ananthakrishnan, Director, Asia Trade at ELCY Ltd, says centralising global treasury hubs has gained momentum due to technological advancements, cost efficiency and the desire for better control over liquidity and financial risks. However, he agrees that centralisation presents challenges in meeting the complex needs of the various Asian regions and fragmented regulatory and legal environment.

"For example, countries like China, Korea and Taiwan have strict exchange controls, making it difficult to centralise liquidity and repatriate funds," he says.

Cultural and operational nuances involving language or business and payment systems and technology limitations where local systems fail to integrate with global networks also present challenges.

Despite these challenges, Ananthakrishnan agrees with Kanwar that centralised hubs can adapt by adopting various strategies. Those strategies include establishing RTCs, leveraging local talent and partnerships with banks that understand regional nuances, and taking advantage of advanced technologies like application programming interfaces (APIs) and blockchain to enhance cross-border transparency and efficiency.

"Singapore is a preferred location for regional treasury centres due to its tax incentives, political stability and advanced fintech infrastructure. It ranks as the third-largest foreign exchange trading hub globally," adds Ananthakrishnan. He also lists Japan as a preferred location for RTCs, but points to challenges like an ageing population and slower growth compared to emerging markets.

However, while India and China both have rapidly growing financial sectors, they face regulatory hurdles and infrastructure gaps, says Ananthakrishnan, in the form of China's strict capital controls and India's complex tax systems, which can complicate treasury operations. Despite the allure of those country's large consumer markets and manufacturing capabilities their regulatory environments require tailored treasury solutions, he adds.

Technology is central

According to Sugandha Singhal, Senior Vice President and Head of Treasury at SRF Ltd, there aren't many differences between treasury departments in Asia Pacific outside the compliance requirements. However, centralisation is a trend driven by AI, robotic process automation (RPA), and the related savings realised by those technologies.

"We centralise only activities that result in manpower reduction," she says. "Otherwise we set policies and boundaries."

Kanwar agrees that the most strategic technology is AI, which is expected to aid treasury, improve cash forecasting, aid business continuity planning for stress test scenarios and mitigate risk types such as liquidity and FX risk.

Kanwar also points to "just-in-time" funding capabilities that many banks offer that help companies automate the sweeping of funds from the pool to secure the debit balance position of sub-accounts held for each subsidiary. Using host-to-host bank connectivity, and increasingly APIs, will shorten the turnaround time for transactions to be executed and for records to be booked in the ledger, he adds.

As an example, RPA can automate the consolidation of bank information for non-standard (MT940) bank statements. AI-enabled FX platforms can automate the FX price discovery, trade execution, booking of trade and settlement. While in-house banking (IHB) within TMSs help automate the dual ledger requirements for inter-company transactions, he adds. Standard Chartered's own FX platform offering is called SC PrismFX.

The business requirements are pushing partnering banks to better connect to corporate strategies in order "to design a solution and translate that solution to an operating structure", says Kanwar.

"In offering liquidity management solutions, banks can offer single currency cash physical pooling and multi-currency notional pooling (MCNP)," he adds. "As more corporates adopt the IHB model, banks are offering virtual accounts and sub-account structures to segregate inter-company transactions."

The adoption of digital currencies and blockchain technology is also gaining popularity with corporations, says Kanwar. Driven by this sector, many banks are on the lookout for payments-focused distributed ledger settlement networks to offer real-time, cross-border payment vs payments (PvP) or payment vs delivery (PvD) structures.

The technology provider ecosystem, where banks cooperate with fintech companies in Asia is "unique" and "creative", says Kudzmaite.

"Often good solutions get adopted very quickly by the market, which is hungry for digital and efficiencies," she says.

Ananthakrishnan agrees that digital expansion, especially with supply chain finance, "is no longer a luxury but a necessity for sustainable practices, ensuring compliance and driving cost reduction in this rapidly changing global trade paradigm".

However, despite the presence of "know-how" and experience with emerging technologies in Europe, in comparison to Asia, it "moves very slowly," with several markets still running old legacy systems, "which are cumbersome to implement and/or doesn't result in efficiencies", adds Kudzmaite.

Tariffs and tax

At the start of this year, **Deutsche Bank Research**, in their Asia Corporate Newsletter Q1 2025: Welcome Year of the Snake, predicted that Asia markets will mainly be driven by preparing for the impact of tariffs from the new government in the US.

According to Deutsche Bank, Asia is more exposed to a protectionist US trade policy than other regions because several countries in the region have significant bilateral trade surpluses with the US; their economies are closely interlinked with China; and tariffs are expected to strengthen the US dollar, and many Asian countries have low real rate buffers to deal with a stronger dollar and higher core rates.

The Deutsche Bank Research also points to 2025 as pivotal for Vietnam. In the case of Vietnam, imports from China doubled from 2017 to 2023 – an addition of US$50bn – and its exports to the United States increased by US$60bn.

According to the data from the bank, Vietnam benefitted significantly after 2017 from the first round of tariffs introduced between the US and China – particularly in the electronics and consumer markets. China now accounts for roughly 30% of Vietnam's FDI inflow, and approximately 40% of all ASEAN exports to North America originate in Vietnam, according to the report.

In the Asia Corporate Newsletter, Perry Kojodjojo, Asia macro strategist, Deutsche Bank Research says: "Given Vietnam's trade surplus with the US is the third largest, it is more vulnerable to the threat of possible tariffs from the incoming US administration.

Ultimately, Deutsche Bank researchers predict that "Policy makers, as well as corporates, will have tough decisions to make for limiting the impact of tariffs on GDP, trade and FX."

Writing in a post on LinkedIn, Ananthakrishnan warns that countries targeted by the US tariffs "are likely to retaliate with their own tariffs, escalating into a full-blown trade war. Such a scenario would disrupt global supply chains, stifle economic growth, and further fuel inflation".

He adds that the potential for supply chain disruption "is particularly worrisome". As businesses grapple with increased costs and uncertainty, this disruption could force companies to relocate production, leading to significant upheaval and long-term shifts in global trade patterns.

"This could undermine the very industries the tariffs are intended to protect," says Ananthakrishnan.

Despite viewing the US's current tariff policy as a "high-stakes gamble", Ananthakrishnan says there could be some potential upsides.

"If implemented judiciously and for a limited time, tariffs could incentivise domestic production and create jobs," he says. "They might also prompt trading partners to address unfair trade practices and level the playing field for businesses. However, these potential benefits are contingent on a delicate balance and a measured approach, which seems unlikely given the current trajectory."

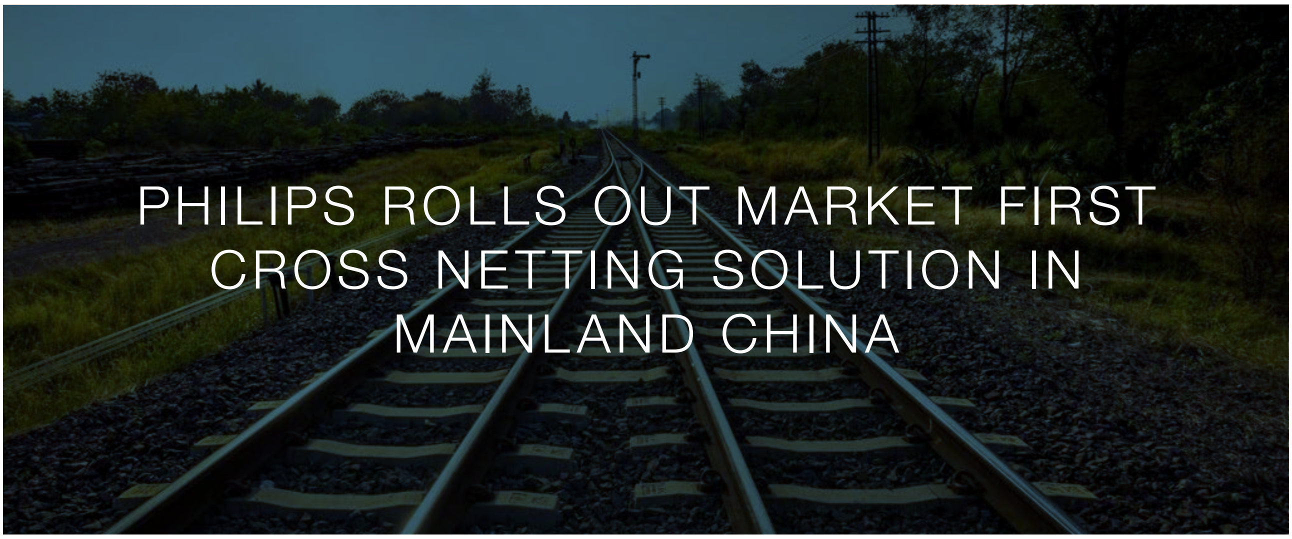
He recommends that companies adopt alternative strategies. Such as collaborating with like-minded countries to address shared trade challenges and promote "a more balanced and equitable global trading system".

Some of these strategies were started several years before the complexities of the currency economic environment. Kanwar points to India's Gujarat International Finance Tec-City (GIFT City) project, launched in 2007, as a "a game changer, making it easier for FDI investors to unlock their idle cash while arranging tax-efficient funding to help fund growth in India".

"In comparison with Singapore and Japan, GIFT is expected to offer comparable RTC solutions with the added advantage of a ten-year tax holiday," he adds.

India's GIFT City is a project to develop a smart city that would host an International Financial Services Centre (IFSC) to provide a comprehensive platform for various financial activities, such as banking, insurance, capital markets, asset and wealth management, FinTech and access to global markets and currencies.

While China started deregulating RTCs deregulation, allowing both pan-China cash pooling and two-way cross-border sweeping a decade ago, says Kanwar. This promotes FDIs and advances the internationalisation of the renminbi through the creation of the Chinese yuan for onshore and offshore markets, the CNY and CNH, respectively. ■



PHILIPS ROLLS OUT MARKET FIRST CROSS NETTING SOLUTION IN MAINLAND CHINA

HSBC's Yvonne Yiu, Co-Head of Global Payments Solutions, Asia Pacific explains the process behind Philips rolling out a market first cross netting solution in mainland China.

Philips, the Dutch multinational health technology group, has just rolled out a market first cross netting solution across its nine entities in mainland China. The innovative strategy implements a single RMB cross-currency netting structure for all intragroup cross-border transactions involving Chinese entities and sets a new precedent for such structures under mainland China's existing regulations.

Philips treasury manages over 4,000 intragroup cross-border transactions across seven currencies annually. In mainland China, the team relied on manual processing of all cross-border payments requiring significant time, effort and costs, Yvonne Yiu, Co-Head of Global Payments Solutions, Asia Pacific at HSBC who worked with Philips on the project tells Treasury Today. "The groundbreaking approach reduces hundreds of multi-currency transactions in mainland China per month into a single RMB cross-border transaction, streamlining operational processes."

HSBC and Philips held multiple rounds of discussions with the People's Bank of China (PBOC) in Shanghai, ultimately obtaining consent to roll out the first RMB cross-currency netting solution of its kind in mainland China. The structure also leverages Philips's existing cross-border cash pool set up under the PBOC's free trade enterprise (FTE) structure, she says.

Every month, the intra-group cross-border foreign currency payments and receipts related to the Chinese entities are converted into RMB using the in-house bank exchange rate. This serves as the basis for calculating the RMB netting settlement.

The multiple cross-border transactions in different currencies within the same calendar month are netted into a single transaction, with RMB as the settlement currency. This is settled cross-border between Philips' domestic netting centre and the Group's overseas netting centre. At the same time, each company/division settles a single netting transaction in RMB with the domestic netting settlement centre.

The strategy aligns with China's strategic efforts to promote RMB internationalisation. And by iintegrating mainland China entities into the global netting process, it further standardises and simplifies operational workflows. The reduction of cross-border transaction volumes reduces associated costs, and the solution also enhances liquidity through unlocking working capital in mainland China and optimises cross-border settlement processes. Improved FX risk management flexibility, with access to offshore renminbi (CNH) FX rates has also streamlined automated processes for payment and accounting.

Yiu argues that cross-currency netting is one in a line of innovative solutions coming out of the bank. For example, HSBC has rolled out ECom Direct, which allows merchants on the mainland to collect RMB-denominated sales receivables directly from overseas e-commerce platforms. She says that HSBC is also among the first banks in China to offer both wholesale and retail eCNY services.

"China is a dynamic market that embraces financial innovation," she says.

Other examples include SpeedX, a truly 'document-less' cross-border settlement solution for qualified onshore customers and in Oct 2024 the team went live with pilot customers that were looking for simpler foreign currency settlements.

"We hope Philips strategy will inspire other corporates in the region," she concludes. ■

Cream of the crop

Rahul Jagga

Treasury Lead

Nestlé
Good food, Good life

Nestlé India is a subsidiary of Nestlé S.A. of Switzerland, the world's largest and most diversified food and beverages company.

With nine factories, four branch offices and over 8,900 employees, Nestlé India is a leading player in the Indian fast-moving consumer goods (FMCG) industry, with a strong position as one of the top two players in most of its product categories, including milk products and nutrition, beverages, chocolate and confectionary. The company is committed to long-term sustainable growth and shareholder satisfaction.

Nestlé India's Rahul Jagga reflects on the company's recent success at the 2024 Adam Smith Awards Asia, explains how the company is driving sustainability by supporting its dairy farmers, and discusses the qualities needed to become a high-achieving treasury professional.

"Treasury is dynamic – it's at the intersection of finance, strategy and risk management," says Rahul Jagga, Treasury Lead at Nestlé India. "I thrive on the problem-solving aspect, whether it's optimising liquidity, navigating volatile markets or implementing innovative financial solutions. It's incredibly rewarding to see the long-term strategies and daily decisions I make yield positive financial results for the organisation."

For Jagga, these positive results have translated into industry recognition, with Nestlé India named Highly Commended Winner in the Best Funding Solution category at the 2024 Adam Smith Awards Asia.

The winning project, which is a first-of-its-kind cross-border supply chain finance solution, has not only benefited the company and its suppliers, but also paved the way for other corporates to follow a similar approach – an achievement which is all the more impressive, given that Jagga arrived in his first treasury role only a couple of years ago.

Recipe for success

"I began my professional journey with a consultancy firm after qualifying as a Chartered Accountant," he recalls, adding that at that stage, a career in treasury wasn't really on his radar.

But in 2005, Jagga joined Nestlé as a Senior Financial Reporting Analyst – and over the following two decades, his career path saw him progress through a number of roles within the organisation.

"During my time at Nestlé, I've had the opportunity to work in various areas, including positions in Financial Accounting, Management Accounting, the Global Capability Centre (GCC) and Treasury," says Jagga. "Prior to my current role, I served as the Financial Controller for Nestlé's GCC in the South Asia region, where I led business planning and transitioned scalable activities from the market to GCC."

As Financial Controller, Jagga was responsible for leading a cost standardisation project, which involved researching how various costs were captured within the company's eight GCCs around the world, and standardising practices by creating a standard operating procedure (SOP).

His notable achievements in this role also included an initiative to eliminate manual payments in India. "At the time, there were a lot of payments which were not paid directly into vendors' accounts – I would say around 30% of the total payments were made via cheque or other manual instruments," he says.

To address the resulting inefficiencies, Jagga's team embarked on a project to switch those payments to online transfers, which also involved onboarding vendors and updating their master data in the ERP. Following the project, which included a vendor base of around 5,000 vendors, Jagga says that more than 99% of the relevant payments are now handled online.

Moving into treasury

In February 2022, Jagga moved into his current role as Treasury Head, which includes responsibility for managing treasury strategy for India, Sri Lanka and Bangladesh, guiding a team of around ten people across the three countries. Taking on this role presented something of a challenge, as Jagga had not previously undertaken front-office activities.

"One of the good things about Nestlé is that they are prepared to give people the chance to take on new opportunities," he observes. "I was able to meet the challenge, and I'm now a fully-fledged treasury person."

As Jagga explains, the treasury function is designed to ensure efficiency and strategic alignment with business objectives, operating as a linear function focusing on core front office activities. These include managing liquidity, risk, forex hedging, compliance, cash flow management, investments, debt structuring and corporate finance.

"We look after the operations centrally from here, and the team in Sri Lanka and Bangladesh co-ordinate the interactions with the banks and local alignments," he says. "Additionally, I collaborate closely with the supply chain, business units, market CFOs, Legal & Tax, the Regional Treasury Centre and senior leadership to align treasury strategies with broader business goals."

Jagga's responsibilities include managing day-to-day liquidity, with a focus on optimising funding and investments, as well as driving capital structure reviews and developing treasury policies. "I also look after the foreign exchange hedging, which includes keeping track of currency markets and hedging against a benchmark," he says. "And we look after the finance strategy, which means having a clear plan about how to manage borrowing and investments, as well as funding payouts to shareholders."

Gaining recognition

In 2024, Nestlé India's achievements were recognised in Treasury Today Asia's prestigious awards programme, the Adam Smith Awards Asia. The winning solution was a digital cross-border supply chain finance solution provided by Deutsche Bank, which was the first of its kind in the region. The details of the solution, which took an innovative approach in overcoming regulatory constraints, were outlined in a **recent case study**.

"Effectively we wanted to provide offshore suppliers with financing at a competitive interest rate, but banks weren't able to remit the money directly due to local regulatory restrictions," Jagga explains. "So we developed a three-way flow, whereby we send our file to the DB India office, which is then automatically sent to DB Frankfurt. From there, the vendor receives financing. On the invoice due date, we settle with the local bank, which then settles with DB Frankfurt."

Alongside the benefits to its ecosystem of suppliers in the form of early payments, Nestlé India has also achieved numerous operational improvements as a result of the project, from cost savings and process efficiencies to a lower need for manual intervention.

As Jagga reflects, recognition for this project has not only raised the treasury team's profile within the organisation, but also prompted interest from other banks and corporates in the region who are keen to explore implementing similar solutions. He observes, "It's very satisfying to know that the solution we developed is not only helping our organisation and our vendors, but also other organisations and other vendors as well."

Other recent initiatives include spearheading an effective finance strategy in order to meet the company's capital expenditure (capex) needs. "We are on a high capex trajectory, which meant we would need to borrow heavily in order to meet our capex requirements," says Jagga. "The other option was to defer the payout to shareholders. So we proposed a middle path, which moderated our borrowing and resulting in significant cost savings."

Qualities of a successful treasury professional

According to Jagga, a successful treasurer needs the right blend of technical expertise, strategic thinking and effective communication. "In particular, this means having strong analytical skills to assess financial risks and opportunities, and the adaptability needed to navigate economic fluctuations and regulatory changes," he says. "Treasurers also need strategic foresight to align treasury operations with long-term business goals, and an awareness of technology in order to leverage automation and data-driven insights."

Where soft skills are concerned, Jagga highlights the need for excellent communication skills in order to engage stakeholders and banking partners. In particular, he notes that treasury offers a unique opportunity to collaborate cross-functionally with various departments, which enables treasury professionals to gain insights into business dynamics as well as playing a crucial role in driving business success. At the same time, explaining treasury concepts to people in other departments is an important skill which depends on being able to communicate how treasury priorities fit into the bigger picture for the business as a whole.

"So for example, supply chain personnel might not be aware of the challenges that can arise when building up inventory stock," says Jagga. "As treasury professionals, we need to be able to explain that building up inventory might give you an advantage – but you have to weigh this against the working capital cost, and how this might feed through into shareholder returns."

Similarly, when the company is focusing on currency hedging, the business might question the importance of providing timely and accurate forecasts. "We need to explain that if they don't provide their forecasts on time, this can result in specific costs. If we are able to explain the financial impact and how it affects the business, they can quickly grasp the importance of this task."

He adds, "Everybody has their own priorities. So when you bring in your own priority, you have to tell them what that means for their area of the business. Once they understand, they are fully supportive to our cause and we are better able to work in a common direction."

Facing treasury challenges head-on

On another note, Jagga is keenly aware of the myriad risks that might have the potential to disrupt the business. "Currency volatility, interest rate fluctuations and geopolitical uncertainties are always on my radar," he says. "And managing liquidity efficiently while mitigating currency risks is a constant challenge."

Industry-specific challenges, meanwhile, include maintaining a clear funding strategy for working capital and capex requirements. As Jagga observes, "Staying ahead requires a proactive approach, leveraging technology and maintaining strong banking relationships."

Also important is ensuring the accuracy of customer collection forecasting. "This is a challenge across different industries," says Jagga. "But the particular challenge we have is that we have two types of players to consider. One is the general trade – the 'mom and pop' shops that sell our products such as noodles or chocolates. And the other is e-commerce, quick commerce, and key accounts such as big malls, Walmart and Amazon."

For general trade, Jagga says forecasting collections is not overly challenging, "because we have a mechanism of pulling money out of our customers' accounts. So we have a fairly high accuracy when it comes to collections from general trade."

But where the second category is concerned, payments from customers tend to be less standardised, which can lead to forecasting challenges. "When we close our cash position for the day, we build in certain credits that are expected to come in," Jagga clarifies. "But if they don't come in, or are larger than expected, we either have to borrow more, or keep money idle. So that's one of the challenges we have, and we are looking at how we can minimise these inaccuracies and optimise the cash we have available."

To address these challenges, the company has worked with some of its larger customers to implement tools that provide a real-time feed, interacting directly with Nestlé's ERP system to provide information about when remittances will be received. "By getting that information at least a day in advance, we can forecast what the collections will be," Jagga says. "It has really improved the collection forecast accuracy. But we can't have a customised tool for each and every customer, so we're concentrating on our top customers."

Goals in the coming months

More broadly, the Nestlé India team is focusing on simplifying and automating its current processes in order to maximise efficiency and focus on core activities. "This includes enhancing our cash management systems and optimising our working capital strategies," Jagga notes.

Also on the to-do list for this year are various sustainable finance initiatives which aim to align with the company's ESG goals and ensure long-term financial resilience. "Sustainability is something that our global organisation is quite committed to," says Jagga. "So we're working on a lot of sustainable projects."

One initiative that was a particular focus in 2024 was a project to finance the firm's dairy farmers. "As a company, we consume a lot of milk from small farmers in India, which are relatively very small," he explains. "To give you some perspective, there are 80,000-100,000 farmers that provide us with milk on a daily basis."

By its nature, the dairy industry tends to have high carbon emissions, "and for small farms the per capita consumption is relatively high. When a farm expands, that per capita consumption goes down." In collaboration with a bank, Nestlé India has therefore embarked on a project to finance farmers in order to help them mechanise their farms, increase their productivity, and ultimately reduce their per capita greenhouse gas emissions – a project which is already yielding promising results.

Bigger picture

Looking at the treasury profession more broadly, Jagga highlights the significant potential that emerging technology offers when it comes to transforming treasury operations. "AI-driven analytics and machine learning are improving cash flow forecasting and risk management," he says. "Blockchain and digital currencies could revolutionise cross-border payments, while automation and cloud-based treasury management systems are making processes more efficient."

Of course, technology is only as useful as the results it can generate – and Jagga emphasises that they key for treasurers is to leverage these advancements to enhance decision-making and reduce operational risks.

Last but not least, Jagga says he enjoys spending time with his family as well as reading, playing badminton and listening to music in order to relax and recharge. "I am a yoga enthusiast, and it helps me to stay physically and mentally balanced," he adds. "My endeavour is to stay engaged with industry trends through networking and continuous learning, ensuring I remain ahead of treasury and financial developments." ■

Evolving challenges in Taiwan

Buffeted by global headwinds, Taiwan's treasurers have had to cope with currency and interest rate volatility by strengthening their risk management frameworks, as well as leaning on their banking partners for greater support.

Taiwan, **the world's 22nd largest economy**, has an advanced high-tech industry and is the global leader in semiconductor production, earning it the moniker "Silicon Island". It's one of the economic powerhouses in Asia and plays a key role in global supply chains.

It is home to many world-class companies, including Taiwan Semiconductor Manufacturing Corporation, Foxconn and Far Eastern New Century (FENC), as well as strong financial institutions, such as CTBC Bank, Taipei Fubon Bank and E.SUN Commercial Bank.

Following the Democratic Progressive Party's historic third consecutive presidential election victory in January 2024, President Lai Ching-te introduced strategies aimed at promoting key sectors: semiconductors, artificial intelligence (AI), military, security and surveillance, and next-generation communications.

In addition, the DPP-led government has focused on encouraging the **return of Taiwanese companies abroad** since 2019, through the provision of services for land, water and electricity, manpower, taxation and capital.

According to the International Institute for Management Development, Taiwan ranked eighth in **economic competitiveness** globally in 2024, receiving high scores in administration and business efficiency, and ninth in **digital competitiveness**.

Despite uncertainty caused by geopolitics and tariffs, Taiwan recorded a 4.3% year-on-year increase in gross domestic product (GDP) in 2024, which is the fastest growth rate since 2021. "Domestic demand was the primary driver of growth, and this was largely tied to very strong gross capital formation growth amid the semiconductor boom, with many companies investing heavily in machinery equipment, construction and intellectual property products," according to ING.

For 2025, Taiwan's economic growth is projected to rely on investment and consumer spending, with external demand once again driving growth. Think tank **Taiwan Institute of Economic Research** has revised up its 2025 GDP growth forecast to 3.42%, due to stronger-than-expected investment and export performance.

Global operations

FENC is a homegrown conglomerate that produces and finishes synthetic fibres and textiles, with operations in Taiwan, Japan, Mainland China, Vietnam, Malaysia, the Philippines and US, as well as other regions. The treasury set-up is designed to align with the strategic and operational requirements of the worldwide businesses, explains Jenny Ho, Senior Vice-President, Finance Department at FENC.

"It is a hybrid model, combining centralisation and decentralisation to maintain global consistency while addressing regional needs effectively," Ho says.

In line with best practice, key elements of the treasury set-up include: a global policy framework; regional hubs that manage local cash and operations; localised decision-making; risk management; cash pooling; strong partnerships with global and local banks; and technology integration.

One of FENC treasury's major challenges, according to Ho, is effectively managing liquidity across multiple regions and subsidiaries, while ensuring compliance with local regulations. "Our centralised treasury model and cash pooling structure help address this, but it can still be complex to balance the need for operational flexibility with the goal of optimising cash resources at a group level," she says.

To be more effective, treasury is continuously refining its cash forecasting processes and leveraging technology to enhance visibility and control over cash positions. "Moreover, we focus on strengthening our risk management framework to mitigate currency and interest rate risks, which can be particularly challenging in an environment of fluctuating global markets," adds Ho. FENC is also investing in training and resources to ensure the finance teams are equipped to handle these complexities efficiently.

Country-specific challenges

In general, there aren't many Taiwan-specific challenges for corporate treasurers, according to Rupert Keenlyside, founder of CompleXCountries, as the major international banks operate in the country and the domestic banks are competent and keen to provide financing. Most companies have local bank accounts for customs, taxes and bank guarantees. "You can do most things, albeit with a local flavour," he says.

However, there are historical issues originating in the remnants of currency controls, he reports. "Cross-border payments are more of a challenge if the volumes to be converted from New Taiwan Dollar (NTD) exceed US$50m per year, requiring specific permission from the central bank. This extra constraint also applies to intercompany loans," explains Keenlyside. "In addition, local hedging requires a lot of documentation, so most companies hedge offshore via non-deliverable forwards, which works well without liquidity issues."

According to CompleXCountries' **2021 Taiwan report** (based on a peer group discussion between multinational corporation treasurers), onshore hedging is possible – but it's complicated once the NTD is involved. "Most peers tend to default to the offshore market, which is quite liquid and relatively easy, except for the inevitable internal measurement problems. One peer made a sizeable acquisition in Taiwan, and was obliged to execute the foreign exchange (FX) conversion over several days to avoid causing disruption in the onshore FX market," the report stated.

In the past year, interest rate volatility has come out as a top risk for corporate treasurers in Taiwan, according to East & Partners research, well ahead of tech infrastructure upgrades, intermediary risk, trapped liquidity, payment execution risk, and fraud and money laundering.

"While inflation is steadily coming under control, interest expense has increased significantly in the past year, in many instances doubling or more, with few Taiwanese corporates reporting no change in interest expense," says Martin Smith, Head of Markets Analysis at East & Partners.

Traditionally, the country's corporates have been characterised by a generally lower use of interest rate swaps to hedge risk compared to Asia Pacific (APAC) peers. As such, they have been forced to adapt quickly, with the preferred response being to renegotiate terms with major lenders or incorporate more off-balance sheet financing.

As Ho highlighted, FX volatility is another challenge. A high proportion of APAC corporate treasurers have experienced a negative impact on their balance sheet in the last year as a result of FX losses, with Taiwan's corporates highly exposed, according to Smith.

"While nearly three out of four Asian treasurers suffered a negative liquidity balance sheet impact in the past month because of FX volatility – and of those, nearly one in four had a severe negative impact – the percentage was higher in Taiwan," he says. "FX switched to an active responsibility for treasurers, who had varying degrees of success in managing it."

Many banks are trying to help their clients address these pressing operational issues, with varying degrees of success, according to Smith. That is being reflected in how treasurers are behaving in terms of increasing intent to switch provider and level of panel banking.

"There are several different key performance indicators and performance metrics that we track for the banks that are flashing red on numerous instances, as many incumbent banks are finding it more difficult to retain business with their largest, most valuable clients," he adds.

He reports witnessing a change post-pandemic, with treasurers more likely to shop around for better bank relationships than ever before.

Banking relationships

Customer expectations are rising rapidly, evidenced by increasing customer switching/churn intent each year, according to East & Partners research. One in four APAC corporates plan to switch cash and payments provider in the next six months, with some banks facing churn rates as high as four in ten primary customers actively considering a change in their service provider in the next six months.

The functionality that would most compel a corporate treasurer to switch their primary banking relationship is faster onboarding (24%), efficient anti-money laundering (AML)/know your customer (KYC) processes (19%) and enhanced transaction visibility (16%).

Proactivity, positioning the client front and centre, and specific industry expertise are critical for a best-of-breed corporate-banking relationship, according to Smith. "Despite the push towards digitisation, automation and enhanced application programming interface (API) functionality, old fashioned relationship management excellence is increasingly winning the hearts and minds of Asia's chief financial officers (CFOs) and treasurers," he says.

Despite moves by Citi and Standard Chartered to "right size" their operations and withdraw from underperforming markets, corporate treasurers continue to strongly value global representation, especially when it comes to trade and supply chain finance.

Ho advocates maintaining clear, open and regular communication with banking partners; using multiple banks to mitigate risks and ensure competitive terms; deploying tools like cash pooling to enhance visibility and reduce idle funds; regularly reviewing and renegotiating fees and rates for the best deals; staying abreast of regulatory changes; using online platforms and automation to streamline operations and improve efficiency; and periodically reviewing banking services to ensure they meet your needs and remain cost-effective.

Interestingly, corporate treasurers in Taiwan increasingly view compliance as the primary responsibility of banks (65%), as opposed to a combination of themselves and banks (18%), or themselves (14%), with only 3% unsure, according to East & Partners research.

In addition, banks are being tasked with stepping up and playing a greater role in fintech choices for Taiwan corporates, specifically application solutions (81%), cybersecurity protection (63%) and cloud infrastructure and engagement (43%).

"Digitisation advice and guidance is the new frontline in the intensifying battleground for corporate cash and payments relationships," says Smith. "CFOs and treasurers are crying out for guidance and advice on AI, embedded finance capability, cloud infrastructure, APIs, smart contracts and especially cybersecurity, fraud and AML protection."

Upping treasury's game

To be more strategic for the business. Smith advises corporate treasurers to become increasingly ingrained in the decision-making process at a formulation stage, as opposed to just signing off or being kept at arm's length.

> "We are strengthening our risk management framework to mitigate currency and interest rate risks in a fluctuating global markets environment.
>
> Jenny Ho, Senior Vice-President, Finance Department, FENC

"This is especially pertinent when implementing 'China Plus One' diversification plans – as the majority of Taiwan corporate treasuries are either currently or planning to shift supply chain activities outside of China to Vietnam, Thailand or other South-East Asian countries," he adds.

While Ho believes that treasury has always been a vital function within a business, she also recognises that the role is evolving. She identifies several key areas where it can become more strategic for the overall business:

- Taking a more proactive role in cash management to support strategic decision-making, improve profitability and lower financing costs.
- Using hedging techniques to mitigate risks, as well as aligning them with the company's broader strategy.
- Tapping into diverse funding sources to ensure the business has sufficient resources to pursue strategic initiatives.
- Playing a pivotal role in supporting merger and acquisition activity by assessing the financial health of target companies, structuring deals efficiently and managing post-merger integration from a financial standpoint.
- Adopting financial technologies and automation enables treasury to go beyond traditional cash management, for example using AI and machine learning to improve forecasting and enhance efficiency.

As treasury becomes more strategic, it should collaborate with IT, HR, legal and operations, suggests Ho. "By participating in cross-functional discussions, treasury can influence business decisions, manage financial risks and support initiatives aligned with the company's long-term goals," she explains.

Another area is sustainability and supporting environmental, social and governance (ESG) goals. "As businesses face growing pressure to meet ESG expectations, treasury can play an important role in aligning financial strategies with sustainability goals," Ho says.

"This includes managing sustainable finance instruments, such as green bonds, integrating ESG criteria into investment and financing decisions, and helping the business meet regulatory and investor expectations regarding sustainability," she adds. This approach helped FENC to clinch the **Best Sustainable Treasury Solution 2024** accolade at the Adam Smith Awards Asia. ■

Cyber risk: how board buy-in and understanding key dependencies can beat the criminals

Security experts warn cyberattacks are set to quadruple off the back of GenAI. Corporates can hit back against the criminals by collaborating with others, ensuring board ownership of the problem and thinking like their adversaries. Meanwhile although most companies tend to pay ransomware, rarely does this bring a full recovery.

Corporates should expect more cyberattacks from nation states leveraging AI technology to craft smarter scams, automate attacks and find security gaps. But the democratisation of new, easy to use technology like GenAI means more nation states will deploy cyberattacks as well as criminal enterprises that seek to profit from cybercrime.

"Between 25-40 nation states currently leverage cyber as part of their national security operation. We expect to see this triple or quadruple, making cybercrime more complex and more sophisticated," warns Sean Joyce, PwC's Global & US Leader on Cybersecurity, Privacy and Regulatory Risk who consults in some of the most prolific cyber breaches and who also served as the Deputy Director with the FBI. "These tools are available for everyone, and very ineffective guardrails exist right now," he tells Treasury Today.

It's a similar message from Rusty Clark, Head of Cybersecurity Intelligence at J.P. Morgan Chase & Co. "Gone are the days of poorly worded phishing emails. AI has significantly raised the bar for threat actors in general, enabling even relatively unsophisticated bad actors to craft convincing content that can be difficult to detect, even by well-trained eyes."

It's a salutary warning for firms already aware of the risk of ransomware that can paralyse computer systems unless a payment is made, deepfake scams and the constantly changing nature of cyber risk. In Asia, breakneck digitisation but often poorly defended banks and companies means the region is experiencing the sharpest increase in cyberattacks in the world and an area where cyber criminals experiment with their latest ransomware before targeting richer countries that have more sophisticated security methods.

What should companies do?

The speed of a company's ability to recover from a cyberattack is directly linked to knowledge around key dependencies in the company. Or, to put another way, how the company makes money. From this, firms can trace back to the software applications that support how it makes money (a website or customer service operation, for example), the data behind those applications, and where it resides. "It is about understanding where those critical dependencies are and having the ability to back up so you can recover quickly," says Joyce.

Another way to view risk is to understand the element of the market that is most dependent on the goods or services the company sells. This may not align with what the organisation thinks is most important internally, warns Simon Viney, Cyber Security Critical National Infrastructure Lead at BAE Systems Digital Intelligence, responsible for cyber security across the UK's critical national infrastructure spanning telecoms to financial services.

"Something that is not financially material to an organisation is often fundamental to a wider supply chain or individual consumers," he explains. "A company may be able to 'last a week,' but that doesn't include the huge disruption to the market as a whole. Firms need to think outside the box and understand how they ensure they take a big picture approach if an attack happens. For example, it could mean passing some of the work to a competitor."

Companies also need to quantify the risk of a cyberattack. Many firms still adopt a qualitative, woolly approach that defines cyber risk as high or low. Instead, they should understand the potential impact from a range of estimates – and show how the risk budget is being effectively used. "It can be challenging for an organisation to regularly demonstrate its value, especially when a significant part of its mission involves taking preventative measures to avert potential incidents," says Clark.

Viney counsels on the importance of testing security controls in a structured manner that is consistently challenging. It involves adopting a mindset whereby the company acts like a threat group itself, working through barriers in a systematic process to achieve the same objective as the criminals.

"Companies should think like their adversaries. Think, we know how our systems work. If we were going to disrupt it, what would we do? Continue testing through the process so even when internal security processes manage to prevent a breach of one barrier, carry on," he says.

It is an approach championed by the Bank of England's CBEST scheme [Critical National Infrastructure Banking Supervision and Evaluation Testing] and has provided such valuable insights many banks have adopted it internally. "This approach gives real world insights that teams can take to their board. They can say, 'we tried this, and we know this can happen; this is how easy it was. How happy are we about that?'" says Viney.

Companies require perimeter controls and walls, but they also need a fallback plan because some attacks will always get through. It involves striking a balance between prevention as much as possible alongside robust recovery plans and resilience to forms of disruption. "It is about minimising both the time it takes to resolve an attack and the disruption to customers," says Viney. "Think through which risks you are prepared to live with. Companies should set barriers according to their values and around the things they are most concerned about."

Another element to consider is the people, adds Clark. "The most successful threat analysts tend to have two key intangibles: curiosity and a constant desire to grow. As leaders, it is our job to identify those analysts and ensure they have the right opportunities for long-term growth."

Collaboration

Treasury Today interviewees call for more collaboration between companies. Communication can flag suspicious traffic or unusual behaviours and act as an early tip off for others. It also helps companies tailor their approach to tools and technologies that have worked. But it is an aspect of mitigation that many firms find challenging because they are competitors. In many jurisdictions, companies are reluctant to share threat intelligence because of legal issues and collaboration also requires board approval. Organisations that champion and showcase the benefits of cooperation include the UK's National Cyber Security Centre, NCSC, part of GCHQ. Elsewhere Singapore has created a dedicated task force focused on cybersecurity that seeks to coordinate efforts, share best practices and develop comprehensive strategies to combat cybercrime effectively. But cooperation is nowhere close to where it needs to be. "We have no international norms or regulations established that we can leverage. We are still operating in a 20th Century mindset when it comes to understanding cyber risk yet in the 21st Century, digital information moves at machine speed and the threat changes very quickly," says Joyce.

BAE Systems' Viney is encouraged by the emergence of informal relationships between cyber teams based on personal relationships at different companies. But he agrees wider cooperation can be poor. "It does come down to individuals," he says. "In my experience of informal working groups, many people join, but few contribute." It leads the conversation back to their first point: no company operates in a vacuum and cyberattacks target the whole ecosystem. Large banks might be able to withstand a breach because they have the budget, but SMEs with small cyber budgets are still part of the ecosystem. "No one operates by themselves. All companies are part of a broader ecosystem and how do we protect that ecosystem," says Viney. "A business can have one of the best cyber defence postures and still lose essential services or have sensitive data exposed due to a third-party compromise," says Clark.

Board involvement

Corporate boards play a central role in navigating cyber risk. A good board is across the risk exposure, and the company's risk appetite. "If a breach happens, what is the recovery time and how does the board feel about that. What is the culture around cyber risk and who owns it?" questions Joyce. Executive managers are key stakeholders and should lean in as part of the solution and initiate training, he continues.

Yet often his conversations with boards begin with requests for how their cyber framework and response compares to industry peers. "This is not the best question because every company is unique," says Joyce.

In another worrying trend, the treasury function is not always involved in cyber risk as a primary stakeholder. Yet the treasury function is an obvious focus for thieves. For example, cyber teams should be across the social media presence of key members in the finance team (a rich hunting ground for bad actors to scrape personal information to fashion deep fake voices and video) and close gaps in training following staff rotation. A recent missive from the World Economic Forum called on firms in APAC to make cyber security leadership and governance a priority by appointing qualified professionals with expertise in cybersecurity to executive positions and boards of directors to create "an intelligence led prevention first cybersecurity approach to combat the new frontier of cyber battlefields."

Paying up?

PwC's Joyce estimates that between 40-60% of corporates pay ransomware because they can't sustain the financial loss from the business interruption and can't reestablish normal operations quickly enough. Worryingly, even when companies do pay up, they don't always get a full recovery. "When they get the keys back, the data doesn't unlock cleanly because it has lots of bugs. It's not as simple as people think," he says.

Insurance policies can bring financial redress, but don't minimise disruption or the impact of diverted staff attention. And companies can't rely on law enforcement. "It's very difficult to find perpetrators, particularly when it is driven by nation states," says Viney.

Joyce notes that "naming and shaming" doesn't put the criminals off. One of the only ways they are held accountable is if they travel outside their country – which they rarely do. "The consequences haven't been at a level that has changed behaviour," he says. The experience of MGM Resorts International is instructive. Following a breech in 2023 the company didn't pay its attackers but the incident cost hundreds of millions in earnings and consulting, legal and technology fees. In its 2023 annual report, the casino operator said it anticipated further costs from class action lawsuits and federal investigations relating to the attack.

Can technology help?

All Treasury Today interviewees agree that throwing more money at the problem is not the solution: the best way to beat the criminals is to understand those key dependencies. Nor is technology the silver bullet to fighting cybercrime. Organisations are building AI into the cyber security, fraud and anti-financial crime operations and AI has lots of positives. It is being used to test models, and spot rogue behaviour patterns and deep fakes, for example. "AI is better at spotting AI than we are," says Jessica Cath Partner at Thistles Initiative. But AI still requires a human guiding and overseeing the technology. Elsewhere, new technologies like behavioural biometrics might offer a more robust biometric screening because they are harder to clone and make it easier to identify when someone else has taken over your device. But Cath says biometrics shouldn't replace human checks. "Have checks that are proportionate to the size and value of money moved," she concludes. ■

This much I know

Isha Goel

Head – Treasury Settlements APAC,
Mercedes-Benz Research & Development India
APAC Council Member, Association for Finance Professionals

Mercedes-Benz Research & Development India (MBRDI) is the largest research and development centre for Mercedes-Benz Group AG outside of Germany. Established in 1996, MBRDI plays a prominent role in the development of technologies like connected, autonomous, and electric in the world of mobility. With offices in Bengaluru and Pune, MBRDI currently employs over 8,500 professionals engaged in digital product development, interior component design, IT engineering and services.

Is it more important to have a defined career plan, or to be open and flexible?

It's important to be flexible, particularly in the early days of your career when you can easily pick and choose what you want to do, including moving to a completely different field. Once you've been in a role for five years it starts to get more serious as you have more responsibilities. At that point, it becomes more important to start focusing on your goals over the next 10-15 years, such as managing a team.

How can junior professionals be supported in challenging bias and promoting diversity?

Younger people tend to be open-minded and inclusive, not just regarding gender but across various aspects of diversity as well. Studies indicate that the younger generation considers diversity, equity, and inclusion to be a top priority when choosing an employer. Therefore, it is essential to support this perspective and combat the notion that certain roles are gender-specific. One effective way to teach junior professionals to challenge biases and promote diversity is to lead by example. When leaders are mindful of how they express their thoughts about different workplace aspects without reflecting any form of bias, they can inspire the younger generation of professionals to do the same.

Numerous studies by organisations such as Gartner, McKinsey, and AFP highlight how inclusivity leads to better performance, both internally and externally for companies. However, these studies also show that we still have a long way to go, making the contributions of the younger generation critical to achieving a company's DEI goals.

How can women make their voices heard within their organisations?

Speak up! It's important to put your thoughts and words across. And don't be worried about the risk of causing a conflict. Expressing your views and thoughts openly can lead to resolving or avoiding larger conflicts in the future.

What is your motto in life?

I don't really think of it as a motto, but I believe in giving your best, whatever you do. And be empathetic – you never know what another person is going through. It's also important to empower others in your team. If you don't help them to grow and take on more responsibilities, you will find it difficult to grow yourself.

> "I think younger people tend to be open-minded and inclusive, not just about gender but across other aspects of diversity as well."

ONLINE

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treasurytoday.com/women-in-treasury

Driving a career in treasury

For Isha Goel, a career in treasury and finance was not originally on her radar. "At one point I wanted to go into advertising or content writing," she recalls. "But after graduating from university, I had a call from one of my contacts asking if I was interested in a job – it was eight o'clock in the morning, and I needed to report to the office at nine! And that was my introduction to finance."

From this unconventional starting point, Isha subsequently spent 11 years working for Apollo International, one of the world's largest tyre manufacturers. "I started in the trading arm, which gave me some exposure to treasury, but it was more of a finance role which included project financing," she says. "It was a very small team and I was wearing multiple hats at the same time. Looking back, it provided a good kickstart to my career."

After briefly working for a medical company, Isha moved into core treasury in 2017, working for a company that manufactures large pipes. "My focus there was on the Trade Finance vertical, primarily bank guarantees and letters of credit," she says. "That was also when I was doing my Post Graduate Diploma in International Business."

In 2021, Isha moved to Bengaluru to work for Siemens Healthineers, looking after Trade Finance operations for India and Bangladesh. Two years later, she had the opportunity to move to Mercedes-Benz Research & Development India, where she now heads the Treasury Settlements team for the Asia Pacific region, along with Treasury Operations for three entities in India. Isha has received numerous accolades for Excellence in Treasury and Trade Finance, and was recently named one of 'India's Elite 30 Treasury Leaders' by India Startup Times.

> "Believe in yourself, keep your eyes on the prize, and think about the mark you can make in your organisation – how would people remember you if you were to leave tomorrow?

Direction of travel

When it comes to building a career in Treasury and Finance, Isha highlights the need for both flexibility and planning, observing that it is easier to be flexible in the earlier stages of a career. "In the first couple of years, you can shift to anything you want: marketing, HR, accounting, audit," she observes. "But after five years, it becomes harder to change your career path."

She is also a strong proponent of continuous learning. "Treasury is an evolving field, and things can change very quickly," she says. "So keep yourself updated, but at the same time, define your career path and your goals."

Mentoring arrangements can often prove valuable in career development, and Isha says her mentor has played a role in directing her towards treasury. She also emphasises the importance of helping others in their careers: "I'm always open to helping people, and I've given career advice and personal advice on many occasions." Beyond the field of treasury and finance, Isha says she tries to learn something from people in all areas of her life: "I learn how to navigate difficult conversations from my sister and my cousins, and I'm inspired to work hard by family members, and by former colleagues."

Likewise, inspiration can be drawn from a variety of different business models – such as Mumbai's 130-year-old dabbawala food delivery service. "In India, we have a group that picks up food from people's homes in Mumbai and delivers it to their offices all over the city, with a tiny margin of error – Harvard Business School did a case study on it," says Isha. "They do it every day. You can draw so much inspiration about how to be precise from a model like that."

Turning to the topic of gender equality, Isha reflects that finance has evolved over the years in terms of diversity, and is increasingly inclusive. "While we still have a long way to go in terms of equity, there has been a shift in mindset where talent is concerned," she adds.

Regardless of gender, Isha says her advice to aspiring finance and treasury professionals is to "believe in yourself, keep your eyes on the prize, and think about the mark you can make in your organisation – how would people remember you if you were to leave tomorrow?"

Profile

As Head – Treasury Settlements APAC at MBRDI, Isha Goel is responsible for activities including executing treasury settlement transactions across ten Asian markets, as well as bank account management, audit controls and the implementation of best practices in treasury.

Isha's previous roles include General Manager Finance at Siemens Healthineers, Manager Corporate Finance at Jindal Saw, and Senior Manager – Corporate Finance and Treasury at Apollo International.

Treasury recruitment: communication skills pay in an employers' market

Treasury recruitment specialists say the shortage of roles is resulting in treasury professionals jumping ship to private equity. Communication skills and the ability to persuade and think strategically are more prized than ever, while in Australia, Worley Group's David Rowe reflects on his recent recruitment priorities.

The recruitment pendulum remains firmly in favour of employers and there is not much movement in senior treasury talent in Europe or the US today.

In marked contrast to the post-Covid employees' market, treasury recruitment specialists reflect that talented, senior treasury professionals are finding it harder to take the next step up the career ladder in the current market, especially given the number of large corporates with international treasury roles is finite.

"We are seeing a shortage of roles not a shortage of talent," says Rachael Crocker, Managing Director, Europe at Brewer Morris. "It's nice for companies because we see excellent senior talent and are spoilt for choice. There is a long list of people I can pick up the phone to."

> Emotional intelligence is important. Recruiters can delve into the real and personal, unearth motivations and encourage people to be open rather than have applicants say what they think others want to hear.
>
> Marios Georgiou, Business Director specialising in treasury recruitment, Hays

Positively, treasury tends to be recession proof – the role of managing risk and liquidity becomes even more essential in a downturn. Moreover, treasury is also a specialist occupation and businesses that hire non-treasury people to the function often struggle.

Crocker says treasury salaries as stagnant although they have levelled up compared to other compensation in corporate finance like tax. In another trend, she says team structures have changed so that treasurers increasingly report to the CFO.

Treasurers are also finding new opportunities even if the way ahead is congested. For example, treasury's plug into different parts of the business and the profession's coveted forecasting and modelling skills, means people are moving into financial planning and analysis roles, corporate finance, M&A or working across hedging and derivatives in roles that require a strategic and analytical mindset.

In another trend, treasury professionals are jumping ship to new opportunities in private equity spin-offs and SMEs that are setting up new treasury functions from scratch. "A move into private equity is one of the most common trends we see in the US," reflects Daniel Clark, based in Brewer Morris' Orlando office where he specialises in senior level accounting, finance and treasury searches.

He says those moving into private equity will find treasury **fast and furious** with a keen focus on cash management and forecasting. Treasury in private equity is usually more manual and with less complexity – the company may not have a TMS, for example – although the use of leverage usually makes debt scenarios more interesting and dynamic.

The skill set remains the same

Recruitment specialists say employers are looking for street smart, old-school skills; people au fait with ensuring day-to-day processes have been implemented correctly just as much as data analytical skills.

Hard and soft skills in equal measure are as important as ever. Hard skills span the ability to read financial statements, cash analysis and risk management; technical prowess around TMS and, increasingly, regulatory compliance. "Businesses are having to adjust their reporting to ensure it adheres to regulations. The hard skills are a challenge," says Marios Georgiou, Business Director specialising in treasury recruitment at Hays.

Communication skills are also essential. Employers want people with the power to persuade others and think strategically. In many ways, it is these soft skills that distinguish the front office team from mid and back office and recruiters say they are harder to find. Moreover, the interpersonal piece has grown even more important because of technology: relationships can't be automated. "Everything is so automated that as long as treasury is running smoothly it often comes back to the interpersonal skills," reflects Clark.

"Emotional intelligence is important," adds Georgiou who measures candidates' people skills in interviews by role-playing how they would handle situations. "Recruiters can delve into the real and personal, unearth motivations and encourage people to be open rather than have applicants say what they think others want to hear," he says.

Communication and networking skills also equip treasury professionals to seek advice and find solutions to problems, adds Ifan Daniel, recently recruited into the CFO role at Towards, a pioneering mental health organisation following a six-year stint at Mann Group where he was Group Treasurer. "Different firms have different ways of drawing a line on risk factors," he says, reflecting how a conversation with a friend in banking or investment can offer a quick solution and valuable insights on, say, the technicalities of repo and reverse repo and bring comfort with new instruments.

The ability to think strategically is also cited as one reason why there is often a bottleneck bringing treasury professionals up through an organisation organically: it's one thing being able to execute processes, but another having the ability to think critically about what would work better; take responsibility across broader areas and fully grasp the role of treasury as a controls-oriented risk function. One way people can garner missing experience is to move around and expose themselves to new ways of doing things, he suggests. "I recommend more jostling to find the right next step over linear progression."

Rise of the bots

Advances in technology have changed recruiting practices. Recruiters are inundated with applications making it difficult for candidates to stand out while candidates say they are at the whim of bots. But Treasury Today interviewees reflect that recruitment in treasury remains a people process. "Our generic registration process, getting to know applications and their aspirations, still lies at the heart of my job," says Georgiou. "With AI it's easy to think you've hired the best person, but it turns out you haven't."

Recruitment in treasury remains relationship focused, agree Crocker and Clark. They say their clients in Europe and the US depend on them having a relationship with candidates, understanding up-and-coming talent and the nuances of different sectors. “There is usually a big gap between the quality of shortlists drawn from AI or LinkedIn-filtered CVs and a specialist recruiter. We have a candidate network and can identify the right people.”

Preparedness to train

According to a recent survey by Hays, employers are increasingly embracing skills-based hiring in junior finance and treasury roles, happy to employ people prepared to learn even if they lack qualifications or an academic background. “Employers are becoming more flexible in terms of the skill set they require and are increasingly viewing prospective staff for their potential,” says Georgiou.

Still, Treasury Today interviewees also flag that providing training in treasury roles is getting harder. Many junior roles are now automated and in shared services. It means the traditional path littered with valuable learnings that saw juniors work up via roles in back office and payments has gone.

Entry level opportunities have become much more analytical, and people move into treasury at a later stage in their career. It is leaving a knowledge gap around back office basics – albeit replaced by an understanding of systems and what they can do.

Do people need to know the inner workings of back office and settlements to run a successful treasury? Brewer Morris' Crocker says the jury remains out. “Candidates don't have the same depth of knowledge or real nuts and bolts of back office because they don't come through the same route. The impact of this change remains to be seen,” she reflects.

And despite firms' preparedness to train staff, recruiters say formal treasury qualifications shoot candidates straight to the top of the list. The **Certified Treasury Professional** (CTP) designation provides a solid foundation and a launchpad into other accounting or more analytical roles within banking or investment management, says Georgiou. “CTP designations are very desirable in the US too,” says Clark.

In contrast, European treasury teams are less particular about exams, but Crocker does note that candidates wanting to tap the best opportunities in Europe must be prepared to travel. “People are really mobile and typically open to working in most European countries.”

And she concludes that of course, the most senior roles don't come with training.

“A CFO doesn't have time to invest in training; they want someone who has been there and done that and is able to train up those below,” she concludes. ■

David Rowe, Group Treasurer at Worley, the Australian resources and energy group

Over the last 18 months I have recruited two treasury roles, a Senior Treasury Analyst and Senior Director, Treasury. For both roles we saw a high level of candidacy with varying levels and range of industry experience. I'd say it is relatively easy to find candidates for treasury roles, however you need to be very specific about the role, its responsibilities and level of experience you seek. It seems many companies are going through an expansion of their treasury teams across Australia, making it very competitive. This is also having a flow-on effect to remuneration. Key factors I consider when assessing applicants are their experience in managing key stakeholders, how they build and maintain relationships and, importantly, how they will integrate into the team to build and improve performance.

It's important to be very specific around the skills and experience you are looking for and defining the role and its responsibilities. Some candidates in our recent recruitment didn't align to the skills and experience required for the role. The important thing is that there is a baseline level of skills and experience to match the role. Areas around communication, board reporting, relationship management and being more strategic are gaps I have seen across some candidates – these skills vary across organisations and often reflect the maturity of the organisation and its treasury function.

Our initial review of job applicants identifies those with the relevant experience. I then review all CVs of applicants who pass the initial stage. I am a little bit ‘old school' and like to develop a preferred candidates list which then goes through further screening, typically involving a 30-minute conversation to learn more about the candidate, their alignment to the role, expectations and why they're interested. From here a shortlist is done, and I interview each candidate to determine the best and most suitable person for the role. My leadership team will then undertake the final interview with the preferred candidate before an offer is made. In short, outside the initial screening of CVs, most of the process I undertake for recruitment still focuses on interviews and getting to know the candidate throughout the process.

Development is important in any role, as is understanding team members' career ambitions and identifying key areas of development. We focus on these to ensure we provide development opportunities to staff, whether it be on-the-job training, job rotations, external courses, access to our global network or career advice.

Formal qualifications are important as they generally help provide a base level of knowledge and understanding in the discipline undertaken. But I think particularly for treasury, work and practical experience, together with exposure to the different aspects of treasury management, are significantly more valuable over time.

Accounting for simplicity

In an increasingly complex financial world, it is incumbent on treasury to at least consider the merits of consolidating bank accounts.

There are many reasons for a corporate to consider bank account rationalisation. For example, it can reduce technology costs by lowering the number of accounts over which treasury requires visibility and eliminating sub-optimal liquidity structures.

Rationalisation can lower the administrative cost of account management by reducing the amount of work required for reconciliation and review. Reporting can also be streamlined as accounts with low balances are eliminated, while liquidity can be consolidated to achieve a higher return.

Consolidating bank accounts increases negotiating power to lower costs based on transactional volume and size of deposits, which is significant since bank costs tend to increase as corporates move to on-demand and real-time reporting with APIs.

Accounts typically reflect the transaction services a bank can offer within a particular country or region. By encouraging competition amongst its banking partners, corporates can ensure banks' service offerings remain best suited to their operational needs. The 'less is more' approach improves cash flow accuracy as it provides easier access to account data, which allows corporate treasurers to make more informed intraday and end-of-day decisions in optimising short-term cash investments. A streamlined account structure strengthens control and security, reducing the risk of fraud and improving transaction governance as well as simplifying cross-jurisdictional compliance obligations. It also reduces administrative complexity and frees up valuable time for treasury teams to focus on value-add activities.

Food company Kerry decided to rationalise its bank accounts due to challenges in its cash management and treasury processes driven by expansion and acquisition as well as changes in regulations and business needs. The company recognised that an unrationalised bank account structure was diverting resources from more valuable treasury activities and resulted in higher bank charges, whilst also limiting its bargaining power with banks explains Arijit Deshmukh, APMEA Treasury Manager. "Rationalising our bank accounts has been a multi-year effort, during which we have consistently embraced the lessons learned to ensure that any new business or acquisition has a rationalised banking structure," he says.

Challenges included slow acceptance of the rationalisation process by business stakeholders and regulatory requirements. "For instance, in China we needed specific capital accounts for the injection of capital rather than using operational accounts," says Deshmukh. "Furthermore, once the rationalisation process was executed, transferring transactions to the new bank proved to be complex and time-consuming, especially for the customer receipts."

Streamlining its bank account structure has enabled Kerry to improve its cash balance management, ensuring that excess cash is effectively utilised or invested and that there is sufficient liquidity for operational needs. It also supports the implementation of liquidity solutions such as cash pooling and virtual bank accounts.

"Consolidating accounts with fewer banks has increased our bargaining power when negotiating fees and terms with banking partners," adds Deshmukh. "A more focused banking relationship means we can build stronger partnerships with key banking partners, leading to improved service and support. A rationalised account structure has also provided strategic flexibility, allowing Kerry to adapt more quickly to changes in the business environment and pursue new opportunities."

Al-Futtaim Group (AFG) has held the regional franchise rights for Marks & Spencer (M&S) since 1997, operating 46 stores across Bahrain, Hong Kong, Kuwait, Malaysia, Oman, Qatar, Singapore and the UAE.

The growth of its business in Hong Kong highlighted the need for a solution that could reduce the number of physical accounts, enable faster and accurate reconciliation and streamline finance processing for better insights.

Finalising the scope of the rationalisation project involved working with cash in transit vendors to structure the overall flow of deposition of cash to a virtual account at store level, set up unique identifiers for each store and ensure information is matched when account statements are reconciled.

Streamlining its bank account structure has allowed M&S Al-Futtaim to operate a single physical account for multiple purposes, optimise working capital by improving cash conversion cycles with same day turnaround, massively improve remittance identification and save time through a streamlined end-to-end reconciliation process across distribution channels and payment methods. "The deployment of a next generation virtual account management solution from HSBC has greatly enhanced M&S Al-Futtaim's cash management accuracy and efficiency while offering deeper insights into our customers' payment behaviours and preferences," explains Nick Batey, General Manager M&S Asia.

Vibhash Joshi is Regional Treasury Head APAC at energy equipment manufacturing and services company GE Vernova. He says key factors in the decision to rationalise bank accounts include improving cash efficiency and optimising liquidity as well as reducing resource and administrative costs like cash management, ERP integration and audit. "Core elements of a bank account rationalisation programme include understanding and documenting the purpose of each bank account and quantifying the efforts required in the migration, as well as understanding the risks involved in the migration phase," says Joshi.

In-house skills and resources required to manage a streamlined bank account structure include deep knowledge of liquidity management and banking, project management skills and continuous contact with finance and bank administrative teams.

Successful bank account rationalisation programmes start with a comprehensive assessment of existing bank accounts, legal entities and cost structures says Kelly Wen, Head of Client Advisory, Treasury Services at BNY. "This allows corporates to identify patterns in account opening and closing and why each bank account was opened in the first place," she explains. "Corporates should also perform a risk assessment on the banking landscape, as fundamentals and diversification are important when choosing the right bank providers."

Having the end in mind can determine whether future state requires legal entity rationalisation to align to local bank providers or setting up an in-house bank structure to centralise cash management and leverage virtual accounts to more effectively manage liquidity.

An inventory of existing accounts should include the account holder, currency and jurisdiction. The next step is to analyse the flow of these accounts to determine if they are active or dormant. "Following this, the payment instruments used per account should be listed," says Simon Kaptijn, Director Transaction Services Cash Advisory & Structuring at ING wholesale banking. "This information will form the basis for deciding whether each account is necessary. Generally, one account per entity per currency should suffice, although internal processes may necessitate additional accounts (for example, salary flows or business segregation)."

Optimisation of relationships and risk management can be contradictory drivers given that they stem from different sources. The first from operations – focused on processing banking transactions in the most suitable, efficient and cost-effective way – and the second from senior management, mindful of the company's best interests. That is the view of Eric Aillet, Product Manager Enterprise Solutions at Finastra, who recommends a competitive and transparent approach to setting out the corporate's needs and selecting the right banking partners through a formal RFP process with a representative from each relevant department alongside legal and procurement.

"Implementing and monitoring the negotiated conditions are also key to managing the relationship," he says. "The implementation phase includes adapting all systems (ERP, TMS, CRM) and processes. These are cross-functional projects requiring strong leadership to ensure a coherent approach. Once implemented, it is important not to forget to set up control reports to verify and manage the banking relationship on an ongoing basis."

There are many scenarios where accounts were opened by non-treasury personnel in the field and with the evolution of more modern banking services these accounts can be closed without impact to the business, suggests Bob Stark, Head of Market Strategy at Kyriba. "It is important for a bank account review to analyse both hard and soft costs, including productivity for internal teams who manage and reconcile accounts as well as regional teams who facilitate payables and receivables locally," he says.

Vincent Casanova, Managing Director APAC at GTreasury advises establishing clear goals around cost, efficiency and control and assigning specific KPIs, timelines and owners to each objective and carefully monitoring performance metrics and anticipating potential challenges, such as minimising transition impact on external partners or suppliers through early communication.

While a single physical bank account per country, legal entity and currency to support transactional treasury and at times non-proprietary flows is the ideal model, one size does not fit all cautions Rupa Mankad, Managing Director Asia South & Singapore Liquidity Management services at Citi.

"In terms of in-house skills, most corporates tap into cross-functional teams across treasury front and back office, accounting, legal, tax, technology and risk teams," she says. "However, they also rely heavily on their main cash management banking partner to define the most efficient model."

Lillian Sim, Global Head of Multinational Corporation Payments Sales at J.P. Morgan Payments agrees that a coordinated effort across multiple in-house teams is required and that collaborating with banking partners is key to exploring solutions that facilitate transactions without additional accounts, particularly for rationalising local banking relationships/accounts used for special purposes, such as local statutory payments.

It is important to have the right resources in place to manage change, including a team with experience in treasury, accounting, technology and compliance and risk management, adds Lisa Vasic, Managing Director Transaction Banking at ANZ.

Having treasury professionals who understand the intricacies of intracompany payment flows, account structures and how they affect the business is critical to align stakeholders across finance, business and operations. "There should be a focus on managing external relationships with ERP/TMS providers and other IT providers," says Wen. "It is also important to allocate in-house IT resources who can support treasury with changes in systems, data lakes and reporting applications."

Kaptijn refers to the need for a knowledgeable and dedicated project team to manage a time-consuming process and the necessity for support from local teams familiar with decentralised account structures and local payment instruments. "Additionally, a mandate from senior management is important as local finance teams may be reluctant to transfer responsibility for local accounts, liquidity and bank relationships to a group or regional treasury," he adds.

The case for bank account rationalisation will strengthen in 2025, enabled by the wider adoption of treasury management systems across APAC and especially in South-East Asia where the rate of penetration is low but accelerating fast, suggests Casanova.

"Many companies are returning to basics by maintaining a streamlined account structure, which serves as a foundation for robust financial operations," says Sim. "With renewed momentum in M&A activities anticipated, companies have a strategic opportunity to review and streamline their account structures in preparation for mergers or divestitures."

Bank account rationalisation is top of mind for many corporates, very much akin to 'spring cleaning' to ensure that finance and treasury operations are running at the optimal level, agrees Yvonne Yiu, Co-Head of Global Payments Solutions Asia Pacific at HSBC. "New payment solutions, the standardisation of formats and policy changes all increase the appeal of bank account rationalisation," she says.

Mankad describes bank account rationalisation as the foundational base of the digitisation journey as well as a cost efficiency contributor. "No corporate working towards real-time visibility and efficiency in their liquidity and on-behalf structures should start its journey without rationalising its bank accounts," he concludes. ■

Companies prioritise digitisation and access to trade finance

Describe the key trade trends you face?

Treasury teams are prioritising digitisation, trade finance and liquidity in today's uncertain trading environment. Finland's Konecranes – with a bird's eye view of global trade flows – is keeping a wary eye on the potential impact of tariffs and the vulnerability in its long supply chains while in Nigeria, companies are navigating a scarcity of trade finance and FX, and prioritising digitisation and already experience the impact of tariffs on costs.

Adeyinka Ogunnubi

Group Treasury Manager, CFAO NIG LTD and President

Association of Corporate Treasurers of Nigeria

Here in Nigeria, one of our key concerns is access to trade finance. Geopolitical challenges post-COVID-19 and the Ukraine/Russia war, coupled with domestic issues like low crude oil production and lack of transparency in the FX market, have led to significant liquidity challenges. These challenges resulted in import loan obligations not being honoured on maturity due to FX scarcity.

Even forwards sold by the Central Bank were not honoured, impacting the country risk assessment of many correspondent banks. Consequently, access to trade lines for local banks was initially highly priced and later restricted, limiting these lines for corporates.

Forex scarcity is another issue. Access to FX liquidity is a major impediment to trade. The inability to pay suppliers on time or offset import loans, thereby extending open positions, hampers trade activities. We are also experiencing high volatility in the USD/NGN exchange rate which disrupts trade and impacts FX rate stability. Frequent fluctuations make planning difficult and necessitate constant price adjustments.

Treasurers are also concerned about the evolving regulatory landscape and its impact on corporate treasury operations. Ensuring compliance while managing liquidity and financial risks is challenging due to constant regulatory changes. Recent economic reforms and monetary policies by the Central Bank of Nigeria have also significantly impacted liquidity and borrowing costs.

The increase in the cash reserve ratio and the monetary policy rate has tightened liquidity, making it more challenging for businesses to access funds. High interest rates aimed at curbing inflation have increased the cost of borrowing, putting additional pressure on companies' financial health. Supply chain challenges and a lack of clarity in hedging solutions are also issues for treasurers.

Corporates are diversifying trade flows to explore internal sources and reduce dependence on FX or seek cheaper raw materials. There has been a reasonable increase in intra-African trade, possibly influenced by the African Continental Free Trade Area (AfCFTA). The rise of digital trade and e-commerce is reshaping trade patterns. Nigerian businesses are increasingly adopting digital platforms to reach global markets, streamline operations and reduce costs. Improvements in trade-related infrastructure, such as transportation and ICT, are facilitating smoother trade flows. Efficient infrastructure is critical for enhancing Nigeria's trade competitiveness.

Tariffs and trade barriers, while protecting local industries and generating government revenue, often lead to higher costs, reduced consumer choice and potential trade conflicts. Specifically in Nigeria, they have been used to generate government revenue. In 2023, the Nigerian Customs Services collected ₦3.2trn in revenue, with estimates exceeding ₦6trn in 2024. They are also used to help shield local industries from international competition.

We are seeing the increased adoption of digital platforms. E-commerce and digital marketplaces are becoming more popular, allowing businesses to reach a wider audience and streamline operations. The Nigerian government has launched several initiatives to promote digital trade. The National Digital Economy Policy and Strategy (2020-2030) aims to leverage digital technology to drive economic growth, including improving digital infrastructure, enhancing digital literacy and promoting digital services.

Nigeria's fintech sector is booming, with companies like Flutterwave and Paystack leading the way. These innovations make it easier for businesses to conduct transactions online, manage payments and access financial services. There is a strong focus on developing digital skills among the Nigerian workforce. Initiatives by both the government and private sector aim to equip individuals with the necessary skills to thrive in a digital economy.

Jussi Kolehmainen

Director, Trade and Export Finance

Konecranes

We expect the demand environment within our industrial customers to remain healthy despite the macro-concerns around us like the rise of protectionism. Our sales funnels are on a high level and we keep receiving new sales opportunities.

Regarding our port customers, container throughput continues to be on a high level, and long-term prospects related to container handling remain good. Our port solutions sales pipeline includes a good mix of projects of all sizes. Despite the strong order intake in Q4, the market environment has not significantly changed compared to the previous quarters. Our aim is to continue our positive development in 2025, despite the macroeconomic concerns around us. No one wins if there is a trade war, and tariffs would impact many companies and sectors negatively. They could spur the relocation of production or change trade routes. As with tariffs, which are a form of geopolitical risk, there is the possibility of the relocation of production or the changing of trade routes. We review our supply chains and production footprint on a regular basis. In the last couple of years, it has become evident that dependency on a limited number of countries or subcontractors is risky, as long supply chains have demonstrated their vulnerabilities, for example during the COVID pandemic. There is a need for alternative supply chains, and we, as with many other companies, are studying different alternatives.

We don't see any major challenges in the ECA support at the moment. Konecranes is not the biggest user of ECA-guarantees or loans and works mainly with two ECAs – Finnvera in Finland and Euler Hermes in Germany. Regarding supply chain finance, Konecranes has a global programme available for its vendors and this works quite well. Digitisation of trade finance is high on the agenda of Konecranes, and at the moment the global multibank guarantee platform is under our onboarding process to all Konecranes countries. Digital documents like parent company guarantees and electronic bills of lading are already in use or in the test phase. Digitalisation clearly increases productivity, decreases the possibility of errors and enables safe communication even when working remotely between parties.

Victoria Blake

Chief Product Officer

GTreasury

Global trade uncertainty is becoming the new normal. As tariff policies shift, supply chains realign and currency markets react, corporate treasury teams are at the center of the storm, tasked with ensuring liquidity stability, minimising FX exposure and optimising global payment workflows. This isn't just about risk mitigation. Treasury is now a critical strategic function in global trade, transforming financial uncertainty into opportunity and resilience.

Leading treasury teams are focusing on three essential areas of innovation. First, they're revolutionising liquidity visibility. Trade disruptions have immediate ripple effects, creating unexpected supplier costs, shifting payment cycles and fluctuating working capital needs.

Without a real-time view of liquidity, treasury teams risk making reactive decisions that strain cash flow and erode financial flexibility. The new best practice is implementing advanced forecasting tools that simulate multiple trade scenarios, factoring in tariff shifts, supply chain delays and FX swings.

By transitioning from static liquidity planning to real-time, predictive models, treasury teams can anticipate and mitigate disruptions before they impact operations. Companies leveraging dynamic liquidity forecasting are turning trade volatility into an advantage through careful scenario modelling and optimised cash reserves.

Trade uncertainty also fuels currency fluctuations, impacting cash positions, pricing strategies and profitability. Many companies still take a reactive approach to FX hedging, exposing them to unpredictable margin erosion. Forward-thinking treasury teams are integrating scenario-based FX risk analysis into cash flow models to proactively adjust hedging strategies based on trade-driven currency movements. By aligning hedging decisions with real-time cash forecasting and establishing structured exposure monitoring, treasury teams gain greater control rather than scrambling after volatility strikes.

With trade routes shifting and supplier terms evolving, cross-border payment efficiency is more critical than ever. Treasury teams must ensure that global payment workflows are optimised for cost, timing and compliance. This means centralising treasury operations for greater visibility and control, leveraging multi-currency accounts and optimised payment timing to reduce FX exposure, and utilising technology-driven payment automation and treasury solutions for seamless transactions.

Treasury teams have a once-in-a-generation opportunity to elevate their role in corporate strategy. The ability to navigate trade uncertainty, hedge against FX volatility and optimise liquidity planning isn't just a financial necessity – it's a competitive advantage. Companies that fail to modernise treasury operations risk falling behind, while those who embrace real-time forecasting, integrated FX risk management and agile global payments will thrive in this evolving trade environment. ■

Next question: "What is best practice when setting up an in-house bank?"

Please send your comments and responses to **qa@treasurytoday.com**

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